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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

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In the Matter of )  
 )  
Provision of Directory Listing )  
Information under the )  
Telecommunications Act of 1996 )  
 )  
411 Presubscription )

CC Docket No. 99-273

CC Docket No. 98-67

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

WORLDCOM COMMENTS

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## **SUMMARY**

WorldCom supports Telegates proposal for presubscription of 411. The proposal is both technically feasible and economically viable. “411” is one of the most commonly known dialing codes for directory assistance. Thus, presubscription of 411 is vital to opening directory assistance services to competition. Presubscription benefits consumers by offering them competitive choice and ease of use for the service. The familiarity of the code and its abbreviated dialing pattern renders presubscription a more viable alternative for promoting competition than mandatory use 1010XXX access codes. Moreover, balloting and allocation is an effective tool for jumpstarting competition. The allocation process can be modeled after the two-ballot allocation plan that was used by the Commission during the equal access conversions. The Commission should also consider the benefits and feasibility of presubscription to 711 for Telecommunication Relay Service. Finally, the Commission should also reassess the local exchange carriers’ exclusive possession over the administration of consumers’ selection of presubscribed providers, and consider taking competitive policy one step further by implementing a third party administrator for presubscription administration.

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**WORLDCOM COMMENTS**

**I. Introduction**

WorldCom, Inc. (WorldCom) offers comments on Telegate's proposal for presubscription to "411" directory assistance (DA) services, in response to the Commission's Public Notice.<sup>1</sup> Presubscription, using 411, is necessary to achieve the Commission's goal of promoting competition for DA services, just as presubscription, using 1+ dialing, was vital to opening the long distance market to competition. Consumers will witness price reductions and choice in service providers as a result of the increase in competition for DA services, just as they experienced when other services were presubscribed. WorldCom supports Telegate's proposal for facilitating DA presubscription by utilizing the Advanced Intelligence Network (AIN) to make DA provider selection and routing independent of switching systems. WorldCom would pursue competing as a provider of 411 DA service if the proposal is implemented.

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<sup>1</sup> Public Notice, Common Carrier Bureau Seeks Further Comment on Telegate's Proposal For Presubscription To "411" Directory Assistance Services, CC Docket Nos. 99-273 and 98-67 (Apr. 27, 2000)("Notice").

WorldCom encourages the Commission to also consider presubscription of 711 for Telecommunications Relay Service (TRS).

## **II. Telegate's Proposal For Presubscription To 411 Is Technically Feasible And Economically Viable**

In the Public Notice the Commission requests comment on the economic viability and technical feasibility of the Telegate 411 presubscription proposal.<sup>2</sup> It is technically feasible to provide 411 presubscription for DA service using the Signaling System 7 (SS7) network and Advanced Intelligent Network (AIN) features already deployed nationwide. Implementing the proposal would not require major network modifications. Based on WorldCom's knowledge of local exchange carrier networks utilizing SS7 and AIN, there is no reason for WorldCom to believe that the cost of implementing network changes, and the cost of ballot and allocation, are high. Moreover, competitive provision of DA would operate in the consumer's interest, as is discussed below.

## **III. Presubscription Enhances The Competitive Environment To The Benefit Of Consumers**

The fundamental objective of the Telecommunications Act of 1996 is to bring consumers the full benefits of competition in all telecommunications services markets.<sup>3</sup>

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<sup>2</sup> Notice, p. 2.

<sup>3</sup> In the Matter of Petition of U S West Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance and Petition of U S West Communications, Inc. for Forbearance, Memorandum Opinion and Order, CC Docket No. 97-172, para. 46 (rel. Sept. 27, 1999)("Forbearance Order").

In paving the way to this goal, the Commission should “remove the outdated barriers that protect monopolies from competition”<sup>4</sup> and “allow[] all providers to enter all markets.”<sup>5</sup> Presubscription to 411 DA benefits consumers by removing the incumbent local exchange carrier (ILEC) dominance over the most simplified and established means of accessing DA service, thereby combining ease of use and competitive choice.

As Telegate and the Commission have noted, 411 is a widely recognized DA dialing code.<sup>6</sup> Consumers’ ability to access this service through a customary means offers them familiarity and convenience, which fosters their continued use of the service.<sup>7</sup> The consumer benefit and demand for one standardized code for accessing DA renders presubscription a far better alternative for opening DA service to competition than precluding the use of “411” for DA and requiring the provision of DA service by all competing entities via “1010” access codes.<sup>8</sup> The use of “00” and 1010XXX” for directory assistance calls poses an additional burden in serving business customers. Since “00” and 1010XXX are 0- calls, they provide the end-user access to any calling area, not just directory assistance as 411 does. As such, businesses have a need and tendency to block these calls.

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<sup>4</sup> In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, CC Docket No. 96-98, para. 1 (rel. Aug. 8, 1996)(“Interconnection Order”).

<sup>5</sup> Id., para. 4.

<sup>6</sup> Ex Parte Presentation of Telegate Inc., In the Matter of Provision of Directory Listing Information Under the Telecommunications Act of 1934, As Amended, CC Docket No. 99-273, p.2 (submitted March 10, 1999)(“Telegate Proposal”). Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Second Report and Order, CC Docket No. 96-98, para. 149 (rel. Aug. 8, 1996)(“Dialing Parity Order”).

<sup>7</sup> In allowing U S West to offer regionwide DA on an integrated basis, the Commission acknowledged the consumer benefits and demand for using this nationally recognized telephone number for their DA service. Forbearance Order, para. 51.

<sup>8</sup> As one court found, requiring the use of a 10XXX access code instead of presubscription “...would be a gross inconvenience to the public; unending public confusion and dissatisfaction would be inevitable if [the

Consumers, however, will only receive the benefits of competitive choice if competitive providers are able to provide DA service that offers the same ease of use and familiarity as 411. The Commission has already found that when consumers are allowed to pre-select their service provider and have their call routed to that provider by a standard dialing configuration, it opens markets to a greater number of competitive service providers, including smaller providers, as is consistent with Congressional objectives.<sup>9</sup> The Commission also recognized that it is consumers that benefit from the vigorous competition and convenience resulting from presubscription.<sup>10</sup> When consumers have limited or no choice in providers, they forgo the costs saving benefits and diversity competitive service providers can offer.

The proposal does not alter each local exchange carrier's duty of maintaining the directory listings for its local customers. In addition, although the presubscription proposal would foster competition in the provision of DA services, it should be viewed as a supplement to, not a substitute for, the unbundling of bulk DA listings. Presubscription would eliminate the artificial competitive advantage ILECs currently enjoy from their exclusive control over 411, but would not eliminate the artificial competitive advantage ILECs enjoy as a result of their control, acquired from their historical monopoly position, of the database of customer telephone numbers and related information. Moreover, in order to provide a universal DA product that accurately delivers directory information

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majority of customers could not use this service] because the[y] could not remember [their] access code – as many could not”. United States v. Western Electric Co., 698 F. Supp. 348, 362 (D.D.Cir. 1988).

<sup>9</sup> Dialing Parity Order, para. 50.

<sup>10</sup> *Id.*, para. 22.

about all end users, the competing service provider will need to be able to buy unbundled listings in bulk.

#### **IV. Balloting And Allocation**

Balloting is an effective tool for jumpstarting competition for DA services by educating consumers of their ability to choose a directory assistance provider and continue accessing the service by dialing 411. A pro rata allocation plan should be established for subscribers who fail to make a selection of provider during the balloting process. As the Commission found when considering the process for presubscription for interexchange carriers (IXC) during the equal access conversion in 1985, allowing a default to one provider does not encourage consumers to make an affirmative and informed choice in provider and gives the default provider “a distinct and artificial advantage that is unwarranted.”<sup>11</sup>

The allocation process can be modeled after the two-ballot allocation plan that was used by the Commission during the 1985 conversion. Customers would be sent an initial ballot and letter notifying them that they have a choice in the DA provider that they can access using 411, along with the list of available providers and contact information. They will also be notified when the conversion will occur, advised that they have a set time frame in which they must return the ballot, and informed of the process for determining their provider if they do not exercise their choice of provider. The customers that do not return their initial ballots should receive a second ballot indicating the

provider that will be assigned to them if they do not return the ballot by the due date.

Providers will be assigned to customers who did not return the first ballot randomly based on the same proportion as the presubscribed providers. If the customer returns the second ballot, however, their selection is processed accordingly.

Before the balloting process begins all the local switches must be equipped with the necessary software functionality, the 411 trigger must be activated and tested, and all network and process changes to identify the DA provider and appropriately route the call must be implemented and tested.

## **V. Presubscription Of 711 For Telecommunication Relay Services**

In its Notice, the Commission asks parties to comment on the feasibility of implementing presubscription to other N11 codes, such as 711 access to TRS, and whether it would serve the public interest to provide presubscription to other N11 numbers.<sup>12</sup> At the moment, presubscription to 711 is the only N11 code, other than 411, for which there is a potential public interest benefit.<sup>13</sup> The benefits and technical feasibility of implementing presubscription cannot be ascertained in general, since the technical changes needed to establish competitive neutrality will differ across

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<sup>11</sup> In the Matter of Investigation of Access and Divestiture Related Tariffs, Memorandum Opinion and Order, CC Docket No. 83-1145, para. 20 (rel. June 12, 1985).

<sup>12</sup> Notice, p. 3.

<sup>13</sup> Presubscribing to an N11 code only makes sense if the public would benefit from competition for the service reached by that code. Currently, 911 and 311 services are better provided by a single point of contact.

presubscribed N11 services. Consequently, WorldCom will limit its comments to the feasibility and benefits of presubscribing to 711.

The Commission has been interested in the benefits and costs associated with abbreviated dialing to TRS Centers for some time.<sup>14</sup> WorldCom has consistently supported the development of abbreviated dialing to reach relay centers.<sup>15</sup> Abbreviated dialing to TRS centers is complicated by the need to accommodate choice of TRS providers. Where 711 dialing is implemented, the call arrives at the platform of a single relay operator, where a series of queries are performed on the call to identify whether it is a voice or text call, and if text, what text protocol is being used.

One way competitive choice and abbreviated dialing could be combined would be for the state relay, or a third party, administrator to operate a gateway that permits the caller to choose his or her desired vendor and then route the call to that vendor's platform. An advantage of this approach is it would permit vendor choice and abbreviated dialing from one's residence, a friend's house, or a public payphone. A disadvantage of this approach is it would delay the time between a call's initial handling

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<sup>14</sup>In 1997, the Commission issued a First Report and Order, which directed Bellcore to assign 711 on a nationwide basis for access to TRS, and a Further Notice of Proposed Rulemaking, which asked for comment on implementing 711 access to TRS. The Commission refreshed the record at its September 8, 1999 "711 Forum" where presubscription to 711 was first discussed as a method of permitting TRS users to choose among TRS providers. In addition, the Commission is currently considering the costs and benefits of including access to Speech-to-Speech service via 711. See, Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Further Notice, CC Docket No. 98-67 (March 6, 2000).

<sup>15</sup>Comments of WorldCom, Inc., Telecommunications Relay Services and Speech to Speech Services for Individuals with Hearing and Speech Disabilities, CC Docket No. 98-67, May 5, 2000; Ex Parte Comments of MCI WorldCom at September 8, 1999 "711 Forum," and Ex Parte Comments of MCI WorldCom, Use of N11 Codes and Other Abbreviated Dialing Arrangements, CC Docket No. 92-105, July 30, 1999.

and the time it reached a calling assistant. The Commission's speed of answer rules would need to be modified to accommodate this delay.

Presubscribing to a TRS provider has the advantage of automatically routing the caller to her or his desired vendor. There are a number of disadvantages and costs that must be weighed against this advantage. First, one must determine the extent to which presubscribing to a TRS provider will promote competition for TRS service. Currently, California is the only state with more than one TRS provider. WorldCom is not aware of other states with plans to offer a choice of TRS providers. If choice of vendors is limited to those offered by a state relay administrator, and California remains the only state offering this choice, nationwide presubscription would have little meaning for the vast majority of the country. Clearly 711 dialing is not a necessary condition for multivendoring, since California adopted its multivendor approach in the absence of 711 dialing. Abbreviated access to one's desired TRS provider would enhance the user's experience in a multivendor environment, but until states show a desire to proceed with multivendoring, presubscription will not promote competition for TRS service.

Choice of TRS vendors need not be limited to the choices made available by state relay administrators. Presubscription to relay could be done on a national basis. Customers would presubscribe to any of the existing twelve relay providers. The presubscribed relay operator would handle the call from any state, even if it was not an authorized provider in the state from which the call was placed. This would promote

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competition among existing TRS providers, and encourage new entrants. In this new environment, calls would become predominantly interstate and be reimbursed out of the interstate fund, where today most calls are intrastate, and reimbursed out of each state's TRS fund. The shift in jurisdiction of traffic would reduce the staffing needs of less competitive operators and states would have to find a mechanism to link reimbursement to intrastate traffic volumes, otherwise state consumers would be overpaying for intrastate relay service.<sup>16</sup> This more competitive environment would also require the Commission to determine whether it or the states would be responsible for authorizing, monitoring, and enforcing standards, and which standards to enforce. For example, would an operator certified in New York have to meet Florida standards for a call placed from Florida; would national standards suffice; or would New York standards suffice?<sup>17</sup> TRS presubscription to national TRS service would promote competition, and WorldCom encourages the Commission to seriously consider this option.

Second, one must determine the cost of setting up and administering presubscription to relay providers. Although having a single administrator perform this work would have some economies of scope, WorldCom believes they would be limited. In the case of TRS, the administrator would have to add a new entry for every line in the country. Furthermore, if competitive choice is constrained to operators certified within each state, the administrator would have to establish a unique database for every state.

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<sup>16</sup>States currently reimburse TRS operators for all of the state costs identified in their contract proposal, independent of traffic carried.

<sup>17</sup>This option raises a number of other issues. For example: can an operator begin providing TRS service if it is not authorized in any state? If so, must it receive Federal authorization, or may it compete so long as it adheres to national standards?

And while there would be economies associated with the education effort for balloting if 711 presubscription were combined with 411 presubscription, those economies would be far outweighed by the unnecessary cost of requiring 711 outreach, 711 balloting, and a 711 database entry for every line in the country when there would be no choice except for California.

Third, 711 presubscription would not obviate the need for non-abbreviated dialing to reach TRS centers. The TRS provider presubscribed to a payphone or hotel may not be the one desired by the caller. TRS providers would still need to retain unabbreviated numbers, and additional outreach would be required to make customers aware of an even more complicated calling environment.

#### **VI. Neutral Third Party Administrator Is Needed To Ensure That There Is No Discrimination In The Selection Process Of Presubscribed Service Providers**

While presubscription is a step in the right direction, it leaves the competitive providers and administration of presubscription in the hands of the ILECs. An even stronger, more competitive policy is to take Telegate's plan one step further by implementing a third party administration for presubscription. WorldCom previously submitted a White Paper, authored by Lockheed Martin, Inc. (now Neustar), in the Commission's docket, *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, on March 18, 1999.<sup>18</sup> Although addressing the question in terms of administering changes in preferred interexchange

carrier selection, the paper identifies one way a centralized, neutral third party administrative system to both process and track provider selections could be designed and operated.

As WorldCom has repeatedly stated, allowing one provider to control a function that is necessary for their competitors to offer service is a recipe for anti-competitive acts. Agency and court recognition of this fact is why the Bell Operating Companies are precluded from entering the long distance market until they demonstrate they have taken the necessary steps to relinquish their control of the local market. In this era of industry movement from monopoly service providers to one of consumer's choice in providers, ILECs' dominance over the administration of consumers' selection of providers while also a competitor must be reassessed.

Neutral administration can cure the anti-competitive problems that arise by virtue of the ILECs' control over presubscription administration.<sup>19</sup> A neutral administrator will ensure that presubscription changes are implemented efficiently, accurately and in a nondiscriminatory manner. It will ensure that all providers have access to the same information and that no one segment of providers is privy to competitively advantageous or proprietary information concerning the other providers. It will give providers one contact and one system to interact with for effectuating a presubscription change for their customers. It will also bring the rate for a change, which is ultimately born by the subscriber, to cost.

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<sup>18</sup> MCI WorldCom, Inc. Comments on the Further Notice of Proposed Rulemaking, Implementation of the Subscriber Carrier Selection Changes Provisions, CC Docket No. 94-129, submitted Mar. 18, 1999.

The duties of the administrator should include maintenance of the presubscription database and submission of all requests by end users to select or change providers directly to the LEC switches. Another duty of the administrator could be to provide to end-users a list of available service providers. Whereas an ILEC has no incentive to make consumers aware of all the service providers available, the neutral Administrator could promote competition by making lists of available service providers readily accessible to consumers through various vehicles. For example, the Administrator should develop a web page where customers can view the list of providers and contact information. If the Administrator is contacted, it should, if requested by the customer, furnish the toll free number to contact the provider to receive more information on the service.<sup>20</sup> The Administrator should also be considered to manage the initial balloting and allocation.

As is the case today with other third party administrators, the neutral third party administrator for DA presubscription cannot be owned, controlled, or associated with a DA service provider. It should also not be affiliated with any common carrier, as the Administrator's duties should eventually be extended to include administration of customer designation of service providers in other telecommunication service markets.

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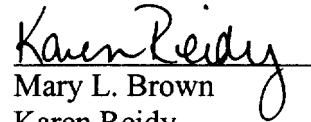
<sup>19</sup> Id., pp 2-7.

## VII. Conclusion

For the forgoing reasons, the Commission should implement 411 presubscription for DA service, initiate a balloting and allocation process, and establish a neutral third party administrator to manage the carrier selection changes. The Commission should also consider the 711 presubscription for TRS.

Respectfully submitted,

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<sup>20</sup> However, the administrator should not be permitted to recommend or answer questions regarding the service offering, such as the usage charges.

## CERTIFICATE OF SERVICE

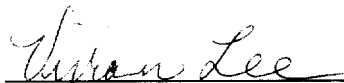
I, Vivian Lee, do hereby certify that copies of the foregoing Comments of WorldCom, Inc. In the Matter of Provision of Directory Listing Information under the Telecommunications Act of 1996 411 Presubscription were sent via first class mail, postage paid, to the following on this 30th day of May 2000.

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A handwritten signature in cursive script, appearing to read "Vivian Lee", is written over a horizontal line.

Vivian Lee